



**GOVERNMENT OF  
NEWFOUNDLAND  
AND LABRADOR**

**DEPARTMENT OF FINANCE  
TAXATION AND FISCAL POLICY BRANCH**

**Bulletin No. Utility 600  
Issue Date: January 2001**

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**TAX INFORMATION BULLETIN  
Utility and Cable Television Tax**

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Under the Taxation of Utilities and Cable Television Companies Act, a utility is required to pay to the province an annual business tax on the gross revenue of the utility for the preceding year derived from the areas of the province which are not incorporated as a city or a municipality.

**Utility Defined**

- 1) a person, firm or corporation involved in the transmission, conveyance, communication, delivery or provision of telephone, telegraph and facsimile messages,
- 2) a person, firm or corporation that owns, operates, manages or controls in the province a cable television broadcast receiving undertaking with equipment and facilities for receiving and redistributing television programming and nonprogramming services,
- 3) the Newfoundland and Labrador Hydro Electric Corporation, its successors and assigns,
- 4) the Twin Falls Power Corporation, its successors and assigns, and
- 5) the Newfoundland Light & Power Co. Limited, its successors and assigns.

**Gross Revenue means**

For utilities defined in (1) and (2) above, the gross revenue derived from the sale of their service,

For utilities defined in (3) above, the gross revenue derived from the sale of electric power service for all purposes, not reduced by a fuel adjustment or similar direct expenses recovery charge, but excluding gross revenue derived from a sale of that service to a utility defined under (5) above, and

For utilities defined in (5) above, the gross revenue derived from the sale of electric power service for all purposes, not reduced by a fuel adjustment or similar direct expense recovery charge.

## **Exclusion**

Tax does not apply to the gross revenue of the utility referred to in utility definition (3) above where that gross revenue is derived from sales to companies or organizations listed in the schedule to the Act.

## **Service Defined**

The broadcast, receiving, transmission, conveyance, communication, delivery or provision of television programming and nonprogramming signals, telephone, telegraph and facsimile messages and electric power or energy for consideration, to users or consumers of these.

## **Tax Rates**

The rate of tax imposed under the Act for a cable television company is 0%. The rate of tax imposed under the Act for a utility other than a cable television operator is 2.5%.

## **Returns and Remittances**

Utilities are required to submit by March 1 of each year a sworn or affirmed statement as to its gross revenue derived in the preceding year within the areas of the province which are not incorporated as a city or municipality. Tax due under the Act shall be remitted with this statement. Interest will be imposed on overdue remittances.

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The Tax Administration Division maintains 2 offices in the locations listed below. Should you require information regarding any of the tax laws administered by the Tax Administration Division, please contact either of the offices below:

Tax Administration Division  
Confederation Building  
P.O. Box 8720  
St. John's, Nfld.  
A1B 4K1  
Phone: (709) 729-6297  
Fax: (709) 729-2856

Tax Administration Division  
Regional Taxation Office  
Sir Richard Squires Bldg.  
Corner Brook, Nfld.  
A2H 6J8  
Phone: (709) 637-2470  
Fax: (709) 637-2618

**Disclaimer:** These bulletins are prepared as guidelines and interpretations of the statutes. Where a conflict between the bulletins and statutes arise, the statutes will take precedence.